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ARIZONA CORPORATION COMMISSION

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September 13, 2006

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Mr. Andrew McGuire  
Jorden Bischoff McGuire & Rose, P.L.C.  
7272 East Indian School Road, Suite 205  
Scottsdale, Arizona 85251

Arizona Corporation Commission  
**DOCKETED**

SEP 13 2006

DOCKETED BY

RE: WILHOIT WATER COMPANY  
DOCKET NO. W-02065A-03-0490

Dear Sirs,

On July 16, 2003, Wilhoit Water Company ("Wilhoit" or "the Company") filed an application for approval of the sale of that portion of its assets used to serve the Glen Arm Farms water system to the City of Avondale and to cancel that portion of its Certificate of Convenience and Necessity ("C&N"). The assets requested to be transferred were encumbered by tax liens totaling approximately \$215,000. The City of Avondale argued that the delinquent tax would be extinguished upon the sale to the City of Avondale in its capacity as a subdivision of the state. At the time of the hearing on the matter, the City of Avondale was on record as providing service to the customers in the Glen Arm Farms area.

Following a hearing, a Proposed Order was issued on January 7, 2004 which recommended approval of the sale and cancellation of a portion of the CC&N subject to several conditions, one of which was the filing of evidence that the outstanding tax liens were satisfied before the close of escrow or 30 days from the decision, whichever occurred first.

According to the Commission's records, Wilhoit requested the Proposed Order be pulled from the Open Meeting agenda and it was. Wilhoit never subsequently requested that it be placed back on the agenda. On June 7, 2004, Mr. David Ronald of the Commission's Legal Division sent a letter to Mr. Douglas Martin who represented Wilhoit Water Company regarding this matter and did not receive a response.

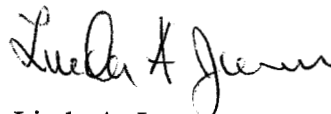
Mr. Douglas G. Martin  
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This docket is still open and will remain so until further action by the Commission. Wilhoit is still the company of record for this area on the Commission's maps and in its files. In order to proceed with removing the case from the Commission's pending cases and to make appropriate changes to the Commission's maps and records, please provide Staff the following information so Staff can proceed with the necessary steps to resolve this docket.

1. Has the transaction been consummated? If so, on what date?
2. Please provide a copy of the executed sales agreement.
3. What are the parties intentions regarding the Proposed Order and the Commission's review and vote on this matter?
4. What is the status of the property tax delinquencies of Wilhoit Water Company relative to the area transferred to Avondale?

Please provide responses to the above questions within 10 days of the postmarked date of this letter. If you have any questions, please call me at 602-542-0859 or Mr. David Ronald at 602-542-6020.

Yours truly,



Linda A. Jaress  
Executive Consultant III

LAJ:mfm

Cc: David Ronald, Staff Attorney